



(SEAL OF UP)

Government of Uttar Pradesh

ACCOUNTS AT A GLANCE 2010-2011



**ACCOUNTANT GENERAL
(Accounts and Entitlements)
UTTAR PRADESH**



REFACE

I am happy to present the Thirteenth issue of our annual publication, the '**Accounts At A Glance**' of the Government of Uttar Pradesh. The purpose of this publication is to distil and make more accessible the voluminous information that is available in the annual Finance and Appropriation Accounts (totalling 986 pages in this year) prepared by my office under the directions of the Comptroller and Auditor General of India and placed before the Legislature in accordance with Article 149 of the Constitution of India.

The years have seen major changes in the scope and presentation of the various reports through which the IA&AD keeps the stakeholders-the Legislature, the Executive and the Public-informed. The format of the Finance Accounts has undergone significant changes, with additional statements incorporated to bring out the financial position of the Government more clearly. Consequently, the Finance Accounts, are in two volumes. In keeping with these changes, the Accounts at a Glance has also been completely remodelled and made more comprehensive. A combined reading of the Finance Accounts and Appropriation Accounts, the Report on State Finances and the Accounts at a Glance, will help the stakeholders to more effectively comprehend the various facets of the finances of the Government of Uttar Pradesh.

We look forward to comments and suggestions for improving this publication.

(P.K. Tiwari)
Accountant General (A&E)
Uttar Pradesh

Place: Allahabad
Date: 01-03-2012

Our vision, Mission and Core Values

The **vision** of the institution of the Comptroller and Auditor General of India represents what we aspire to become

We strive to be a global leader and initiator of national and international best practices in public sector auditing and accounting and recognized for independent, credible, balanced and timely reporting on public finance and governance.

Our **mission** enunciates our current role and describes what we are doing today

Mandated by the Constitution of India, we promote accountability, transparency and good governance through high quality auditing and accounting and provide independent assurance to our stakeholders- the Legislature, the Executive and the Public-that public funds are being used efficiently and for the intended purposes.

Our **core values** are the guiding beacons for all that we do and give us the benchmarks for assessing our performance

- * Independence
- * Objectivity
- * Integrity
- * reliability
- * Professional Excellence
- * Transparency
- * Positive Approach

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CHAPTER I

OVERVIEW

1.1 Introduction

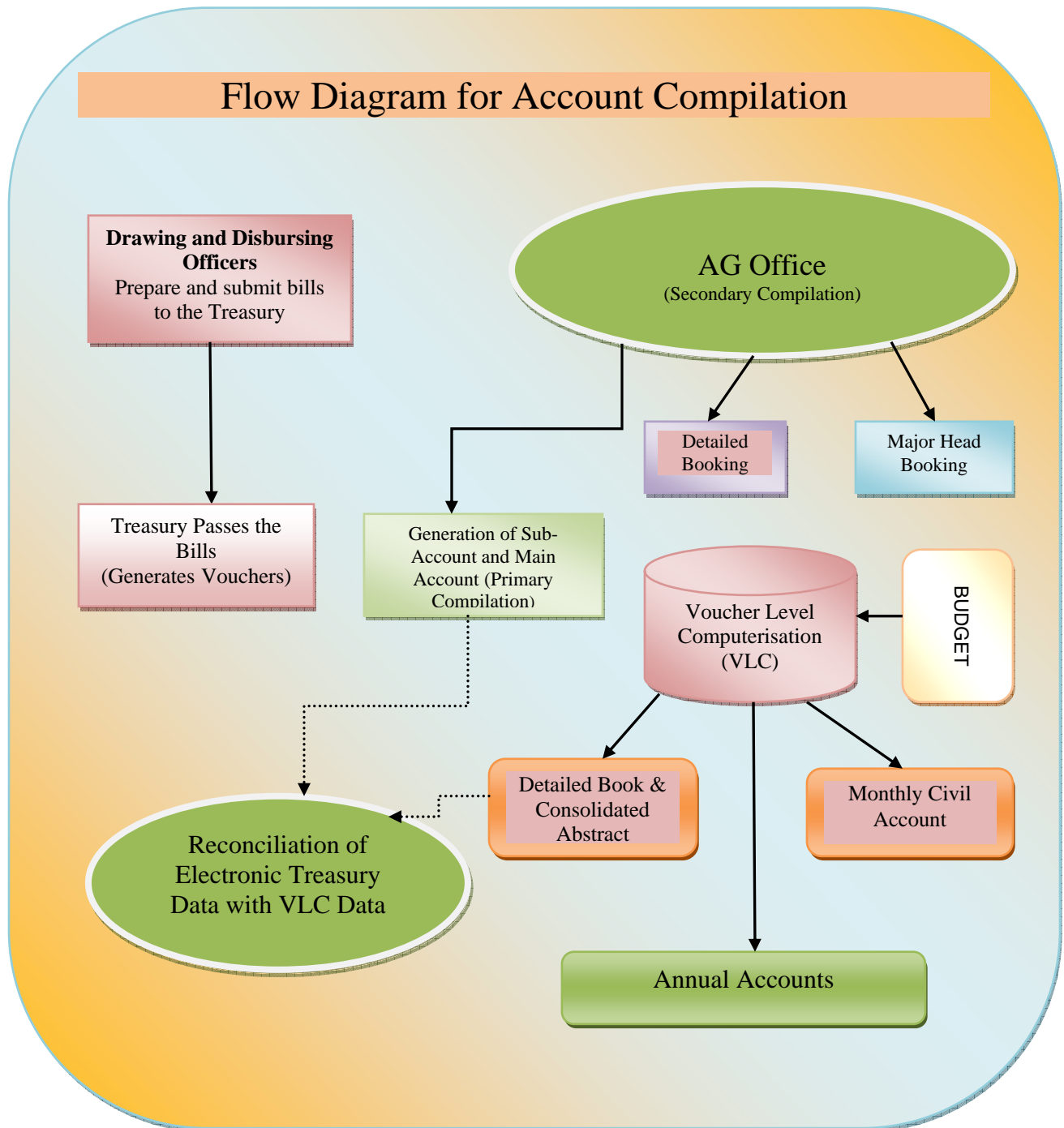
The Accountant General (Accounts and Entitlements), Uttar Pradesh compiles the accounts of receipt and expenditure of the Government of Uttar Pradesh. This compilation is based on the initial accounts rendered by the District Treasuries, Public Works and Forest Divisions and advices of the Reserve Bank of India. Following such compilation, the Accountant General (A&E) prepares, annually, the Finance Accounts and the Appropriation Accounts, which are placed before the State Legislature after audit by the Principal Accountant General (Civil Audit) Uttar Pradesh and certification by the Comptroller and Auditor General of India.

1.2 Structure of Accounts

1.2.1 Government Accounts are kept in three parts:

Part 1 CONSOLIDATED FUND	Receipts and Expenditures on Revenue and Capital Accounts, Public Debt and Loans and Advances.
Part 2 CONTINGENCY FUND	Intended to meet unforeseen expenditure not provided for in the budget. Expenditure from this Fund is recouped subsequently from the Consolidated Fund.
Part 3 PUBLIC ACCOUNT	Comprises of Debt, Deposits, Advances, Remittances and Suspense transactions. Debt and Deposits represent repayable liabilities of the Government. Advances are receivables of the Government. Remittances and Suspense transactions are adjusting entries that are to be cleared eventually by booking to the final heads of account.

1.2.2 Compilation of Accounts



1.3 Finance Accounts and Appropriation Accounts

1.3.1 Finance Accounts

The Finance Accounts depict the receipts and disbursements of the Government for the year, together with the financial results disclosed by the revenue and capital accounts, public debt and public account balances recorded in the accounts. The Finance Accounts have been issued in two volumes, in a new format, to make them more comprehensive and informative. Volume I of the Finance Accounts contains the certificate of the Comptroller and Auditor General of India, summarized statements of overall receipts and disbursements and 'Notes to accounts' containing summary of significant accounting policies, quality of accounts and other items; Volume II contains other summarized statements (Part-I), detailed statements (Part-II) and appendices (Part-III).

Receipts and Disbursements of the Government of Uttar Pradesh as depicted in the Finance Accounts 2010-11 are given below:

(₹ in Crore)

Receipts (Total: 128916.63)	Revenue (Total: 111183.76)	Tax Revenue	84573.90
		Non Tax Revenue	11176.21
		Grants-in-Aid	15433.65
	Capital (Total:17732.87)	Recovery of Loans and Advances	485.17
		Borrowings and other Liabilities *	17247.70
Disbursements (Total: 128916.63)	Revenue	107675.61	
	Capital	20272.80	
	Loans and Advances	968.22	

* Borrowings and other Liabilities: Net (Receipts-Disbursements)of Public Debt +Net of Contingency Fund Net (Receipts-Disbursements) of Public Account + Net of Opening and Closing Cash Balance.

The Union Government transfers substantial funds directly to State Implementing Agencies/NGOs for implementation of various schemes and programmes. This year, the Government of India directly released ₹ 14348.44 crore (₹ 13710.19 crore last year). Since these funds are not routed through the State Budget, they are not reflected in the accounts of the State Government. These transfers are now exhibited in Appendix VII of Volume II of the Finance Accounts.

1.3.2 Appropriation Accounts

The Appropriation Accounts supplement the Finance Accounts. They depict the expenditure of the State Government against amounts 'charged' on the Consolidated Fund or 'voted' by the State Legislature. There are 44 charged Appropriations and 90 voted Grants.

The Appropriation Act, 2010-11, had provided for gross expenditure of ₹ 1,72,475.89 crore and reduction of expenditure (recoveries) of ₹ 13,814.78 crore. Against this, the actual gross expenditure was ₹ 1,48,543.76 crore and reduction of expenditure was ₹ 1,22,44.05 crore, resulting in net savings of ₹ 23,932.13 crore (13.9%) and an under-estimation of ₹ 1,570.73 crore (11%) on reduction of expenditure. Reduction of expenditure, under revenue was more than estimates, whereas under capital was less than estimates. The gross expenditure includes ₹ 77.20 crore drawn on Abstract Contingent (AC) Bills, out of which ₹ 53.28 crore is still outstanding at the end of the year for want of supporting Detailed Contingent (DC) bills.

During 2010-11, net ₹ 4.71 crore was transferred from the Consolidated Fund to Personal Deposit (PD) Accounts under the Public Account, which are maintained by designated Administrators for specific purposes. Normally, unspent balances under PD accounts are to be transferred back to the Government at the end of the financial year. But the same has not been done in respect of 66 PD Accounts (Under 8443-106) amounting to ₹ 0.43 crore by the holders at the end of year.

As per information received from various Treasuries of the State only 151 PD Accounts out of 1606 are reported to have been reconciled. It has also been noticed that balance of budget allocation have been withdrawn through AC

Bills and deposited under earmarked PD Accounts by debit to various Service major heads of Consolidated Fund.

1.4 Sources and Application of funds

1.4.1. Ways and Means Advances

The Reserve Bank of India (RBI) extends the facility of Ways and Means Advances (WMA) to enable State Governments to maintain their liquidity. Overdraft (OD) facilities are provided when there is a shortfall in the agreed minimum cash balance (₹ 4.71 crore) maintained with the RBI. During 2010-11, the Government of Uttar Pradesh did not resort to OD facilities and availed of WMA only (₹ 713.88 crore), for four days. This has to be viewed against the fact that there were savings totaling ₹ 23,932.13 crore in almost all 91 grants, resulting in a shortfall of 14% in expenditure against estimates.

1.4.2. Fund flow statement

The State had a revenue Surplus of ₹3508.15 crore and a Fiscal Deficit of ₹ 17247.70 crore representing 0.6% and 2.93% of the Gross State Domestic Product (GSDP)¹. The Fiscal Deficit constituted 13.38% of total expenditure. This deficit was met from Public Debt (₹ 14011 crore), increase in Public Account (₹ 3493 crore), un-recouped contribution from the Contingency Fund (₹ (-) 39.90 crore), and net of opening and closing cash balance (₹ (-) 216.40 crore). Around 64.24% of the revenue receipts(₹ 111183.76 crore) of the State Government was spent on committed expenditure like salaries (₹ 40159.52 crore), interest payments (₹14215.57 crore), pensions (₹ 12617.84 crore) and subsidies (₹ 4436.97 crore).

¹Except where indicated otherwise, GSDP figures used in this publication are adopted from the Director, Economics & Statistics Department, Government of Uttar Pradesh. Lucknow.

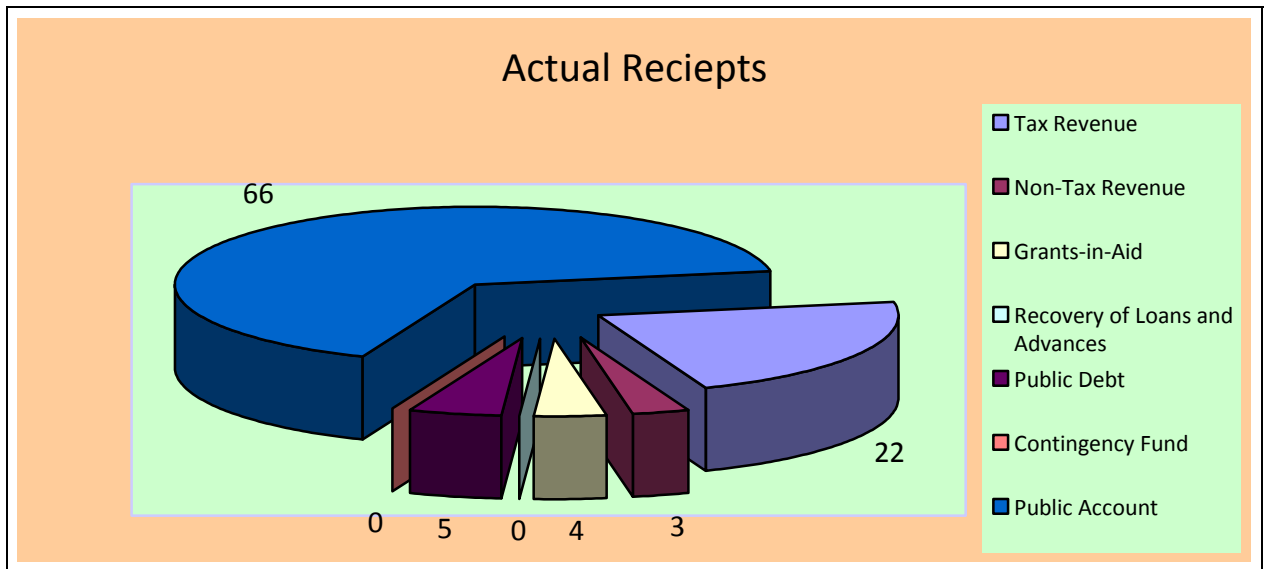
Sources and Application of Funds

(₹In Crore)

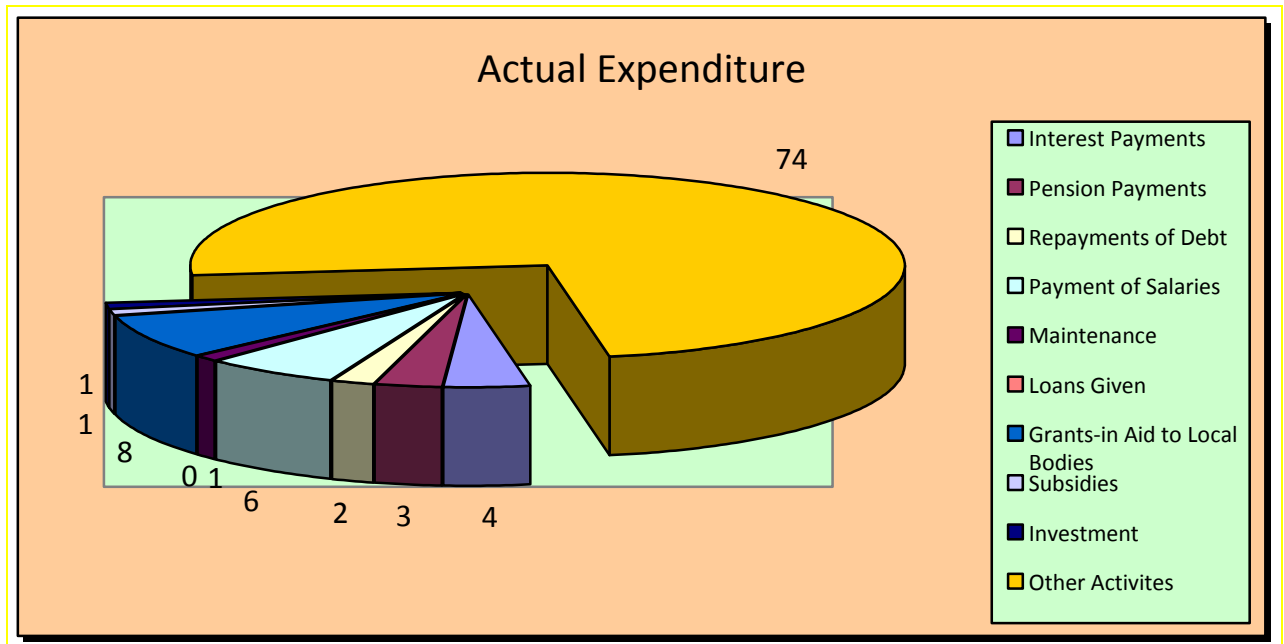
SOURCES	PARTICULARS	AMOUNT
	Opening Cash Balance as on 1.4.2010	198.23
	Revenue Receipts	111183.76
	Recovery of Loans and Advances	485.17
	Public Debt	21394.08
	Contingency Fund	0.00
	Small Savings Provident Fund & Others	9857.02
	Reserves & Sinking Funds	8576.84
	Deposits Received	15408.24
	Civil Advances Repaid	152.19
	Suspense Account	207834.69
	Remittances	17747.96
	Total	392838.18

APPLICATION	Revenue Expenditure	107675.61
	Capital Expenditure	20272.80
	Loans Given	968.22
	Repayment of Public Debt	7383.08
	Contingency Fund	39.90
	Small Savings Provident Funds and Others	4986.05
	Reserves & Sinking Funds	6238.19
	Deposits spent	13564.01
	Civil Advances given	153.82
	Suspense Account	213760.64
	Remittances	17381.23
	Closing Cash Balance as on 31.3.2011	414.63
	Total	392838.18

1.4.3. Where the Rupee came from



1.4.4. Where the Rupee went



1.5 Highlights of Accounts

(₹ in Crore)

Sl. No	Items	B.E 2010-11	Actuals	Percentage of actuals to B.E	Percentage of actuals to GSDP(\$)
1.	Tax Revenue @	77823.09	84573.90	108.67	14.37
2.	Non-Tax Revenue	14985.48	11176.21	74.58	1.90
3.	Grants-in-aid & Contributions	18812.04	15433.65	82.04	2.62
4.	Revenue Receipts(1+2+3)	111620.61	111183.76	99.61	18.89
5.	Recovery of Loans and Advances	671.33	485.17	72.27	0.08
6.	Borrowings & other Liabilities (A)	22742.49	17247.70	75.84	2.93
7.	Capital Receipts(5+6)	23413.82	17732.87	75.74	3.01
8.	Total Receipts (4+7)	135034.43	128916.63	95.47	21.91
9.	Non-Plan Expenditure (*)	89389.30	87678.74	98.09	14.90
10.	NPE on Revenue Account	88259.23	86636.08	98.16	14.72
11.	NPE on Interest Payments out of 10	13492.50	14215.57	105.36	2.42
12.	NPE on Capital Account	1130.07	1042.66	92.27	0.18
13.	Plan Expenditure (*)	45645.13	41237.89	90.34	7.01
14.	PE on Revenue Account	22806.98	21039.53	92.25	3.58
15.	PE on Capital Account	22838.15	20198.36	88.44	3.43
16.	Total Expenditure(9+13)	135034.43	128916.63	95.47	21.91
17.	Revenue Expenditure(10+14)	111066.21	107675.61	96.95	18.30
18.	Capital Expenditure(12+15) (#)	23968.22	21241.02	88.62	3.61
19.	Revenue Surplus(+)/Deficit(-)(4-17)	554.40	3508.15	632.78	0.60
20.	Fiscal Surplus(+)/Deficit(-) (4+5-16)	(-)22742.49	(-)17247.70	75.84	2.93

@ Includes State's share of Union Taxes of ₹ 43464.05 crore

(\$) GSDP figure of ₹ 588466.53 crore (Advance) adopted from the Director, Economics & Statistics Department, Government of Uttar Pradesh, Lucknow.

(#) Expenditure on Capital Account includes Capital Expenditure (₹ 20272.80 crore) and Loans and Advances disbursed (₹ 968.22 crore).

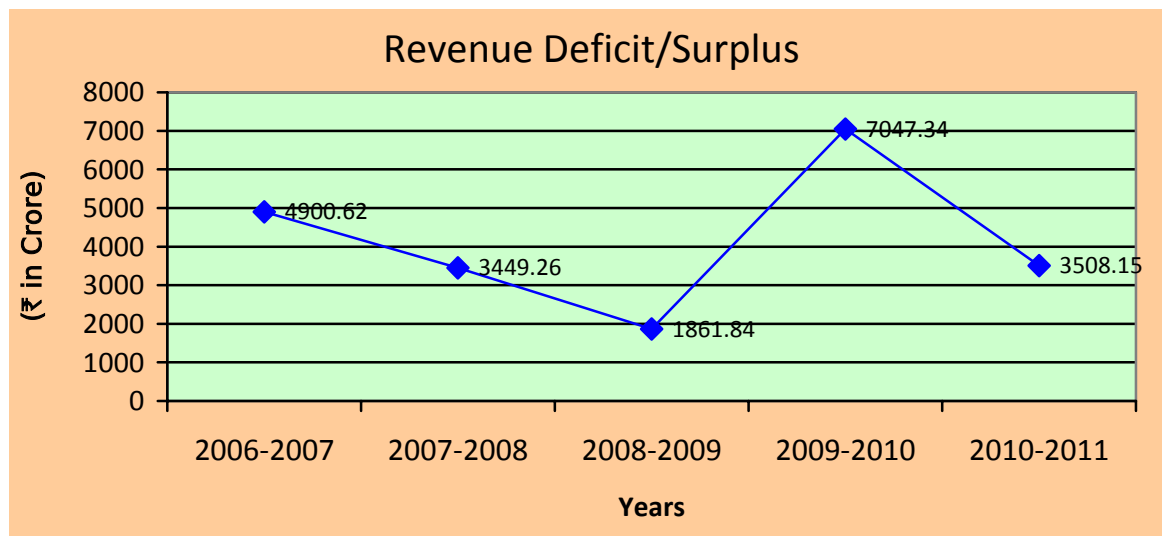
(*) Expenditure includes ₹ 350.94 crore under Non-Plan and ₹ 617.28 crore under Plan which pertains to Loans and Advances.

(A) Borrowings and other Liabilities: Net (Receipts-Disbursements) of Public Debt + Net of Contingency Fund+ Net (Receipts- Disbursements) of Public Accounts + Net of Opening and Closing Cash Balance.

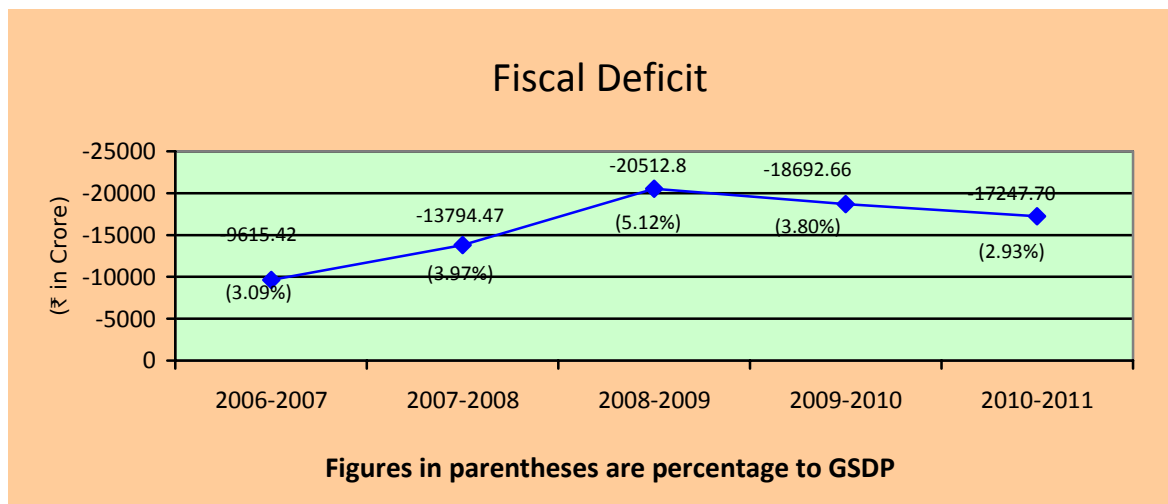
1.6 What do the Deficits and Surpluses indicate?

Deficit	Refers to the gap between Revenue and Expenditure. The kind of deficit, how the deficit is financed, and application of funds are important indicators of prudence in Financial Management.
Revenue Deficit/Surplus	Refers to the gap between Revenue Receipts and Revenue Expenditure. Revenue Expenditure is required to maintain the existing establishment of Government and ideally, should be fully met from Revenue Receipts.
Fiscal Deficit/ Surplus	Refers to the gap between total Receipts (excluding borrowings) and total Expenditure. This gap, therefore, indicates the extent to which expenditure is financed by borrowings. Ideally, the Borrowings should be invested in capital projects.

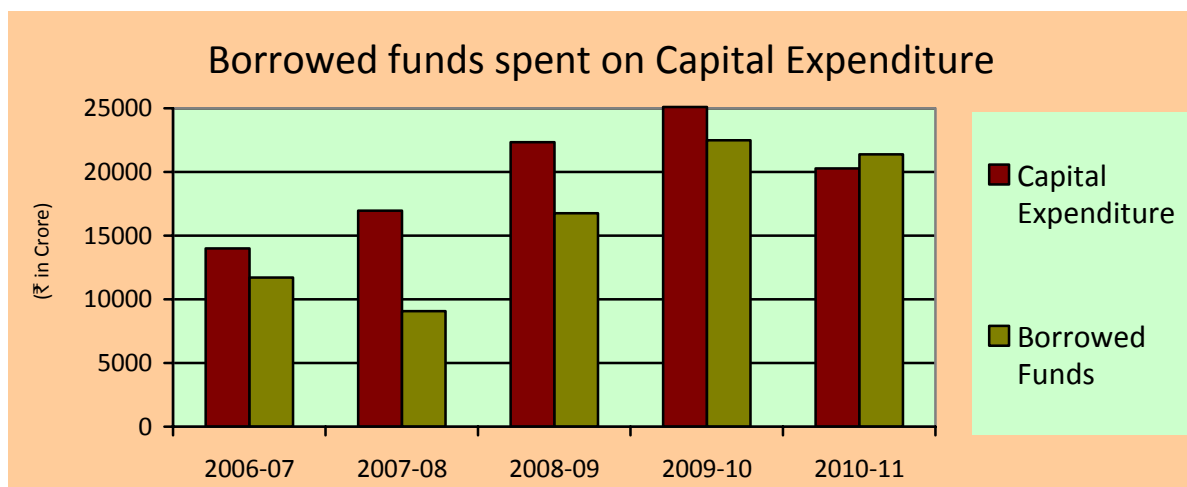
1.6.1 Trend of Revenue Deficit/ Surplus



1.6.2 Trend of Fiscal Deficit



1.6.3 Proportion of borrowed funds spent on Capital expenditure.



It is desirable to fully utilise borrowed funds for the creation of capital assets, and to use revenue receipts for the repayment of principal and interest. The State Government, however, spent only 95 % of the borrowings of the current year (₹ 21394.08 crore) on capital expenditure (₹ 20272.80 crore). It would therefore appear that 5 % of the borrowings (₹ 1121.28 crore) was utilized to repay the principal and interest on public debt of previous years.

CHAPTER II

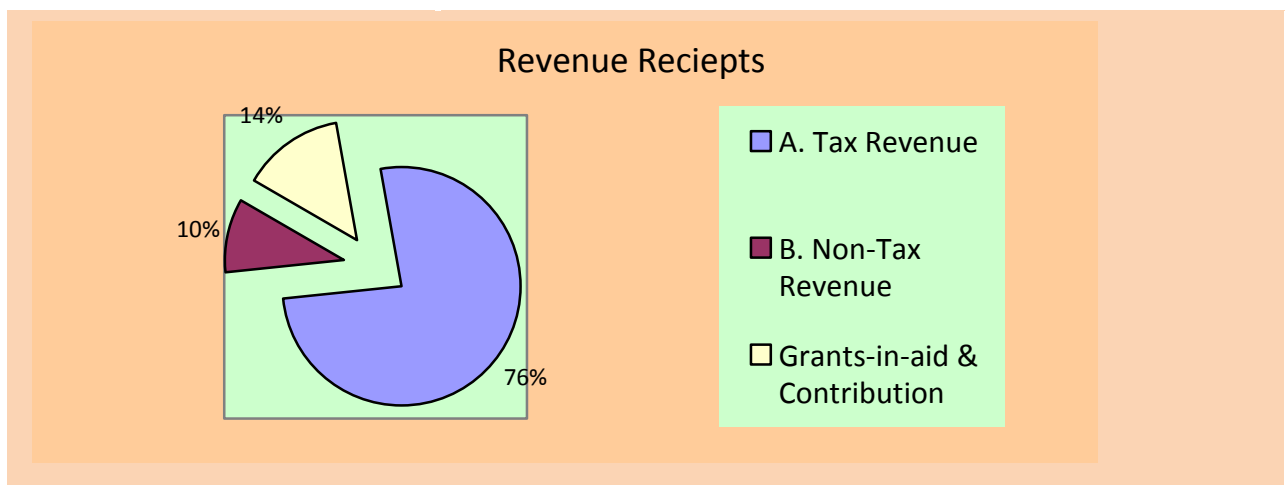
RECEIPTS

2.1. Introduction

Receipts of the Government are classified as Revenue Receipts and Capital Receipts. Total Receipts for 2010-11 were ₹ 128916.63 crore.

2.2. Revenue Receipts

Tax Revenue	Comprises taxes collected and retained by the State and State's share of Union taxes under Article 280(3) of the Constitution.
Non-Tax Revenue	Includes interest receipts, dividends, profits etc.
Grants-in-Aid	Essentially, a form of Central Assistance to the State Government from the Union Government. Includes 'External Grant Assistance' and 'Aid, Material & Equipment' received from foreign Governments and channelised through the Union Government. In turn, the State Governments also give Grants-in-aid to institutions like Panchayati Raj Institutions, Autonomous bodies etc.



Revenue Receipt Components (2010-11)

(₹ in Crore)

Components	Actuals
A. Tax Revenue	84573.90
Taxes on Income & Expenditure	25845.27
Taxes on Property & Capital Transactions	7143.46
Taxes on Commodities & Services	51585.17
B. Non-Tax Revenue	11176.21
Fiscal Services	0.04
Interest Receipts, Dividends and Profits	716.13
General Services	5807.34
Social Services	3019.27
Economic Services	1633.43
C. Grants-in aid & Contributions	15433.65
Total- Revenue Receipts	111183.76

2.3. Trend of Receipts

(₹ in Crore)

	2006-07	2007-08	2008-09	2009-10	2010-11
Tax Revenues	46216.28 (14)	54247.06 (14)	59564.69 (13)	65674.27 (13)	84573.90 (14)
Non-Tax Revenues	6532.64 (2)	5816.01 (2)	6766.56 (2)	13601.09 (3)	11176.21 (2)
Grants in Aid	7850.60 (2)	8609.40 (2)	11499.48 (3)	17145.59 (3)	15433.65 (3)
Total Revenue Receipts	60599.52 (18)	68672.47 (18)	77830.73 (18)	96420.95 (19)	111183.76 (19)
GSDP(*)	336046.43(a)	383045.40(a)	443121.28(a)	518824.71(b)	588466.53(c)

Note: Figures in parentheses represent percentage to GSDP

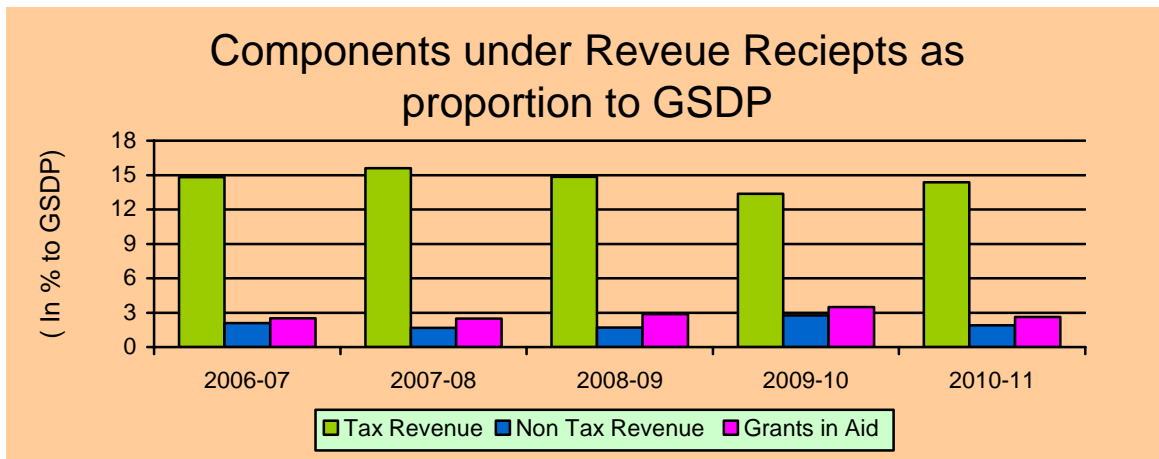
(*) GSDP (Gross State Domestic Product) is the value of final goods and services produced during the year.

(a) Figures of GSDP for 2006-07 to 2008-09 have been revised by the State Govt. and are provisional.

(b) Figure of GSDP for 2009-10 is Quick.

(c) Figure of GSDP for 2010-11 is advance.

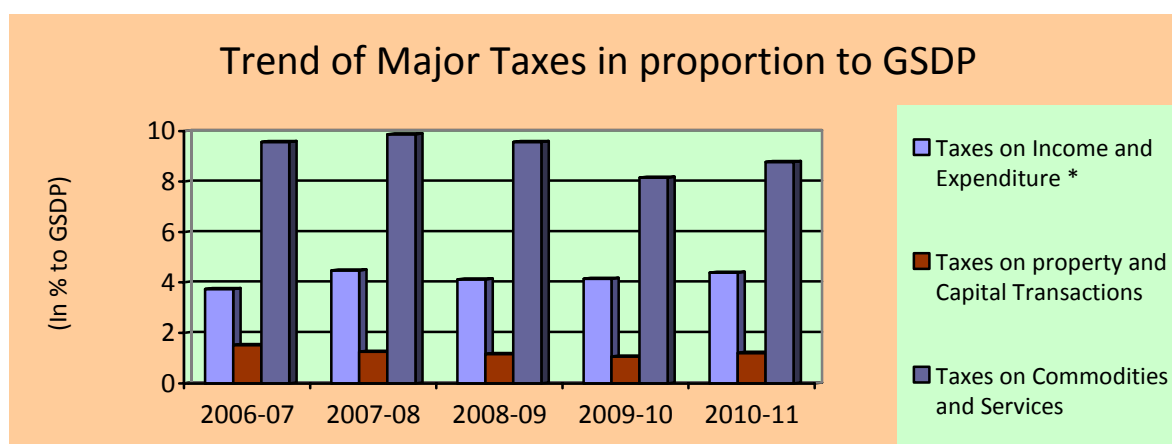
Though the GSDP increased by 13.42 % between 2009-10 and 2010-11, growth in revenue collection was only 15.31 % . While tax revenues increased by 28.78 %, non-tax revenues declined by 17.83 % despite significant increase in collections under ‘Education, Sports, Art and Culture’ (₹ 274.25 crore), ‘Other Administrative Services’ (₹ 227.26 crore), ‘Other Social Services’ (₹ 62.40 crore), ‘Water Supply and Sanitaion’ (₹ 62.50 crore) and ‘Other Special Areas Programmes’ (₹ 54.31 crore.). The decline under non-tax revenues was mainly on account of less collection under sale of land and property (₹ 2954.46 crore), less release of Grant-in-aid to food and civil supply deptt. (₹ 1707.59 crore) and less transfer of unexpended money by the PD accounts holders (₹ 205.56 crore) in 2010-11. The State’s own revenue under certain tax components, like ‘Taxes on Sales, trade etc’., (₹ 4011.34 crore), ‘Stamps and Registration fees’ (₹ 1412.43 crore), ‘State Excise’ (₹ 1057.43 crore), ‘Land Revenue’ (₹ 471.02 crore) and ‘Taxes on Vehicles’ (₹ 413.39 crore) showed a higher trend.



Sector-wise Tax Revenue

(₹ in Crore)

	2006-07	2007-08	2008-09	2009-10	2010-11
Taxes on Income and Expenditure	11660.73	15552.36	16518.92	20395.89	25845.27
Taxes on Property and Capital Transactions	4710.33	4379.53	4697.16	5254.98	7143.46
Taxes on Commodities and Services	29845.22	34315.17	38348.61	40023.40	51585.17
Total Tax Revenues	46216.28	54247.06	59564.69	65674.27	84573.90



(*) Primarily net proceeds of central Share to the State

2.4. Performance of State's own tax revenue collection

(₹ in crore)

Year	Tax Revenue	State share of Union Taxes	State's Own Tax Revenue	
			Amount	Percentage to GSDP
(1)	(2)	(3)	(4)	(5)
2006-07	46216.28	23218.31	22997.97	6.84
2007-08	54247.06	29287.74	24959.32	6.52
2008-09	59564.69	30905.72	28658.97	6.47
2009-10	65674.27	31796.67	33877.60	6.53
2010-11	84573.90	43464.05	41109.85	6.99

2.5. Efficiency of Tax Collection

A. Taxes on Property and Capital Transactions

(₹ in Crore)

	2006-07	2007-08	2008-09	2009-10	2010-11
Revenue Collection	4710.33	4379.53	4697.16	5254.98	7143.46
Expenditure on Collection	774.86	837.64	947.91	1222.11	1568.90
Efficiency of Tax Collection	16%	19%	20%	23%	22%

B. Taxes on Commodities and Services

(₹ in Crore)

	2006-07	2007-08	2008-09	2009-10	2010-11
Revenue Collection	29845.22	34315.17	38348.61	40023.40	51585.17
Expenditure on Collection	312.74	345.39	482.45	1155.49	1440.15
Efficiency of Tax Collection	1%	1%	1%	3%	3%

Taxes on commodities and services form a major chunk of tax revenue. Tax collection efficiency is excellent. However, the collection efficiency of taxes on property and capital transactions can be improved.

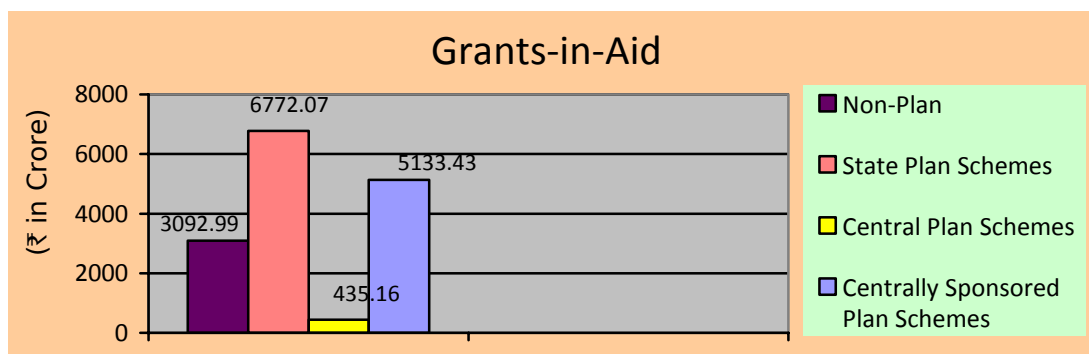
2.6 Trend in State's Share of Union Taxes over the past five years

(₹ in Crore)

Major Head description	2006-07	2007-08	2008-09	2009-10	2010-11
Corporation Tax	7246.55	9295.11	10134.47	13085.69	16892.90
Taxes on Income other than Corporation Tax	4400.47	6238.76	6363.88	7289.26	8926.93
Other Taxes on Income and Expenditure	(-1.20)	(-0.47)	(-0.33)	0.00	0.00
Taxes on Wealth	9.14	10.32	9.61	29.61	34.64
Customs	4528.61	5535.94	5907.92	4450.18	7557.41
Union Excise Duties	4808.75	5284.77	5152.47	3584.65	5497.76
Service Tax	2227.44	2924.43	3338.69	3357.31	4309.45
Other Taxes and Duties on Commodities and Services	(-1.45)	(-1.12)	(-0.99)	(-0.03)	244.96
State Share of Union Taxes	23218.31	29287.74	30905.72	31796.67	43464.05
Total Tax Revenue	46216.28	54247.06	59564.69	65674.27	84573.90
Percentage of Union Taxes to Total Tax Revenue	50	54	52	48	51

2.7 Grants-in-Aid

Grants-in-Aid represent assistance from the Government of India, and comprise, Grants for State Plan Schemes, Central Plan Schemes and Centrally Sponsored Schemes approved by the Planning Commission and State Non-plan Grants recommended by the Finance Commission. Total receipts during 2010-11 under Grants in Aid were ₹ 15433.65 Crore as shown below:



The share of non-plan grants in total Grants-in-aid decreased from 23% during 2009-10 to 20 % in 2010-11, while, the share of grants for plan schemes increased from 33 % in 2009-10 to 44 % in 2010-11. As against a budget estimate of ₹ 16996.33 Crore of Union share in State Plan schemes, central plan schemes and centrally sponsored plan schemes, the State Government has actually received ₹12340.66 crore of Grants-in-Aid (73 % of BE).

2.8. Public Debt

Trend of Public Debt over the past 5 years

Description	(₹ in Crore)				
	2006-07	2007-08	2008-09	2009-10	2010-11
Internal Debt	7594.30	4531.04	10762.00	15737.68	14948.00
Central Loans	(-)1794.86	(-)821.20	(-)778.45	(-)917.20	(-)937.00
Total Public Debt	5799.44	3709.84	9983.55	14820.48	14011.00

Note: Negative figures indicate that repayment is in excess of receipts.

In 2010-11, Eleven loans totalling ₹ 12000.00 crore at interest rates varying from 8.10 % to 8.56 % and redeemable in the years 2020-2021 were raised at par.

Against the total internal debt of ₹ 21030.72 crore of the State Government in 2010-11 plus the central loan component of ₹ 363.36 crore received during this period, capital expenditure was only ₹ 20272.80 crore (95 %), indicating that the rest of the public debt was used for non-developmental purposes.

CHAPTER III

EXPENDITURE

3.1. Introduction

Expenditure is classified as Revenue Expenditure and Capital Expenditure. Revenue expenditure is used to meet the day-to day running of the organisation. Capital expenditure is used to create permanent assets, or to enhance the utility of such assets, or to reduce permanent liabilities. Expenditure is further classified under Plan and Non-Plan.

General Services	Includes justice, police, jail, PWD, Pension etc.
Social Services	Includes Education, Health & Family Welfare, Water Supply, Welfare of SC-ST etc.
Economic Services	Includes Agriculture, Rural Development, Irrigation, Cooperation, Energy, Industries, Transport etc.

3.2. Revenue Expenditure

Revenue Expenditure of ₹ 107675.61 Crore for 2010-11 fell short of budget estimates by ₹ 3390.60 crore due to less disbursement of ₹ 1767.45 crore under Plan Expenditure and ₹ 1623.15 crore under Non-plan Expenditure. This shortfall is to be viewed in the light of the shortfall of ₹ 436.85 crore (0.39%) in revenue receipts and the need of the State to maintain a revenue surplus in terms of the Uttar Pradesh FRBM Act, 2004.

The shortfall of expenditure against budget estimates under Revenue section during the past five years is given below:

	(₹ in Crore)				
	2006-07	2007-08	2008-09	2009-10	2010-11
Budget Estimates	55021.23	67871.38	74828.67	92866.65	111066.21
Actuals	55698.90	65223.21	75968.89	89373.61	107675.61
Gap	(-) 677.67	2648.17	(-)1140.22	3493.04	3390.60
Percentage of gap over BE	1	4	2	4	3

Compounding the shortfall (by 0.39%) of revenue receipts against budget estimates, the State Government was faced with the problem of generating revenue surplus in terms of the FRBM Act. Nearly 66% of total revenue expenditure was committed to Non-Plan expenditure (salaries, pensions etc.) Added to this was the fact that the Government of India released only 82% of the estimated Grant-in-aid. The Plan expenditure has resultantly increased by 17%, from ₹ 15701.18 crore in 2009-10 to ₹ 21039.53 crore in 2010-11.

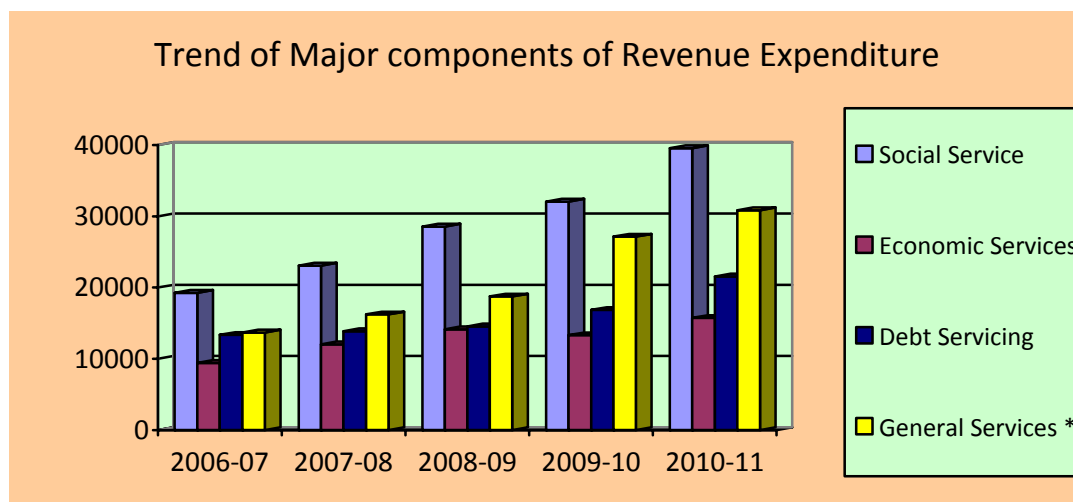
3.2.1 Sectoral distribution of Revenue Expenditure (2010-11)

(₹ in Crore)

Components	Amount	Percentage
A. Fiscal Services	3025.60	2
(i) Collection of Taxes on Property and Capital transactions	1568.90	1
(ii) Collection of Taxes on Commodities and Services	1440.15	1
(iii) Other Fiscal Services	16.55	-
B. Organs of State	1194.82	1
C. Interest Payments and Servicing of debt	21538.26	20
D. Administrative Services	9607.87	9
E. Pensions and Miscellaneous General Services	12652.61	12
F. Social Services	39566.71	36
G. Economic Services	15725.03	14
H. Grants-in-aid and contributions	4364.71	4
Total Expenditure (Revenue Account)	107675.61	100

3.2.2 Major components of Revenue Expenditure (2006-2011)

(₹ in crore)



* General Services excludes MH 2048 (Appropriation for reduction or avoidance of debts), MH 2049 (Interest Payments) and includes MH 3604 Compensation and assignment to Local Bodies and Panchayati Raj Institutions.

The expenditure on Economic Services (which includes important sectors like Rural Development, Agriculture and Irrigation) has marginal growth, as against a steady increase in other services.

3.3. Capital Expenditure

Capital disbursements for 2010-11 at 3.61% of GSDP were less than Budget Estimates by ₹ 2727.20 crore (less disbursement of ₹ 2639.79 crore under Plan Expenditure and ₹ 87.41crore under Non-plan Expenditure).

3.3.1. Sectoral distribution of Capital Expenditure

During 2010-11, the Government spent ₹ 2096.19 crore on various Projects (₹ 1457.61 crore on Major Irrigation, ₹ 190.62 crore on Medium Irrigation, and ₹ 447.96 crore on Minor Irrigation). Apart from above, the Government spent ₹ 272.51 crore on Construction of Buildings, and invested ₹ 3993.47 crore in various Corporations /Companies /Societies.

(₹ in Crore)

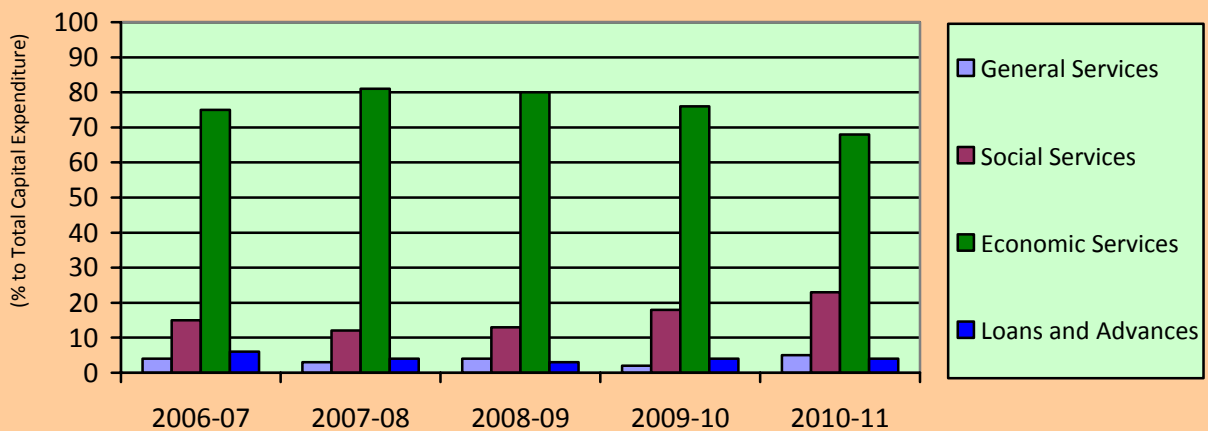
Sl.No.	Sector	Amount	Percentage
1.	General Services-Police, Land Revenue etc.	1002.05	5
2.	Social Services-Education, Health & Family Welfare, Water Supply, Welfare of SC/ST etc.	4795.47	22
3.	Economic Services-Agriculture, Rural Development, Irrigation, Cooperation, Energy, Industries, Transport etc.,	14475.28	68
4.	Loans and Advances Disbursed	968.22	5
Total		21241.02	100

3.3.2 Sectoral distribution of capital expenditure over the past 5 years

(₹ in Crore)

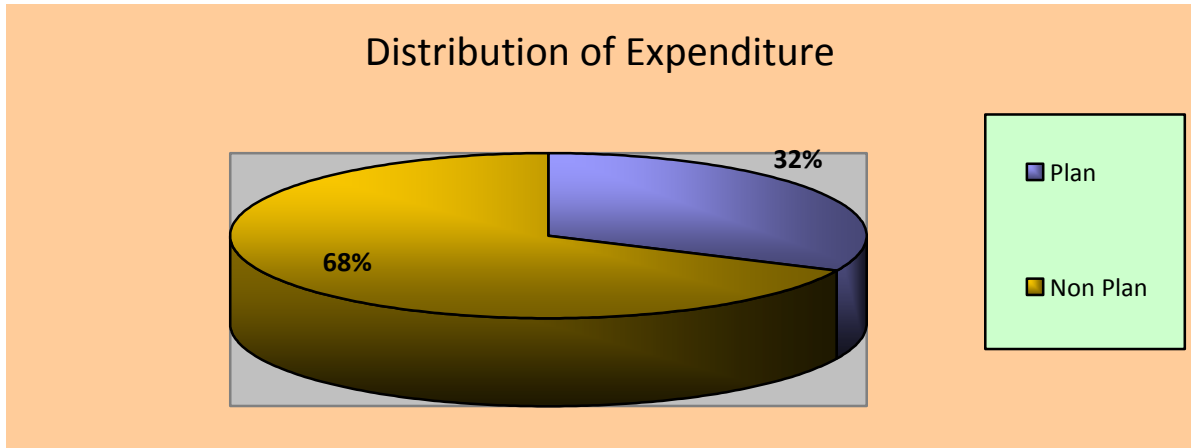
Sl.No.	Sector	2006-07	2007-08	2008-09	2009-10	2010-11
1.	General Services	653.81	574.89	841.35	610.97	1002.05
2.	Social Services	2179.83	2113.63	2945.44	4702.02	4795.47
3.	Economic Services	11150.49	14261.86	18558.93	19778.24	14475.28
4.	Loans and Advances	887.55	741.96	807.01	941.85	968.22
Total		14871.68	17692.34	23152.73	26033.08	21241.02

Trend of Sectoral Distribution of Capital Expenditure



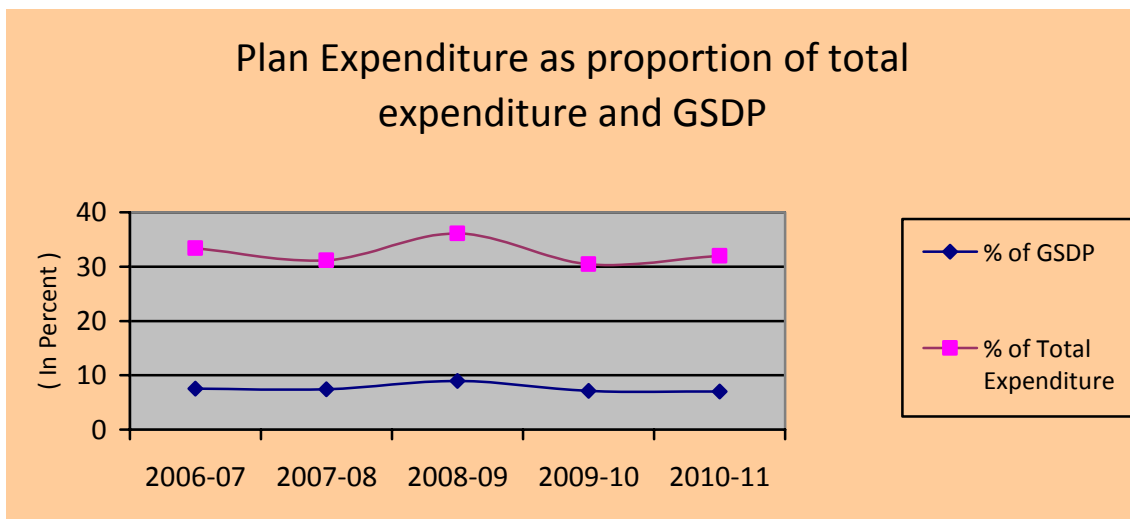
PLAN & NON PLAN EXPENDITURE

4.1. Distribution of expenditure (2010-11)



4.2. Plan Expenditure

During 2010-11, Plan Expenditure, representing 32 percent of total disbursements, was ₹ 41237.89 crore (₹ 29799.41 crore under State Plan, ₹ 10821.20 crore under Centrally Sponsored Plan Schemes and ₹ 617.28 crore under Loans and Advances).

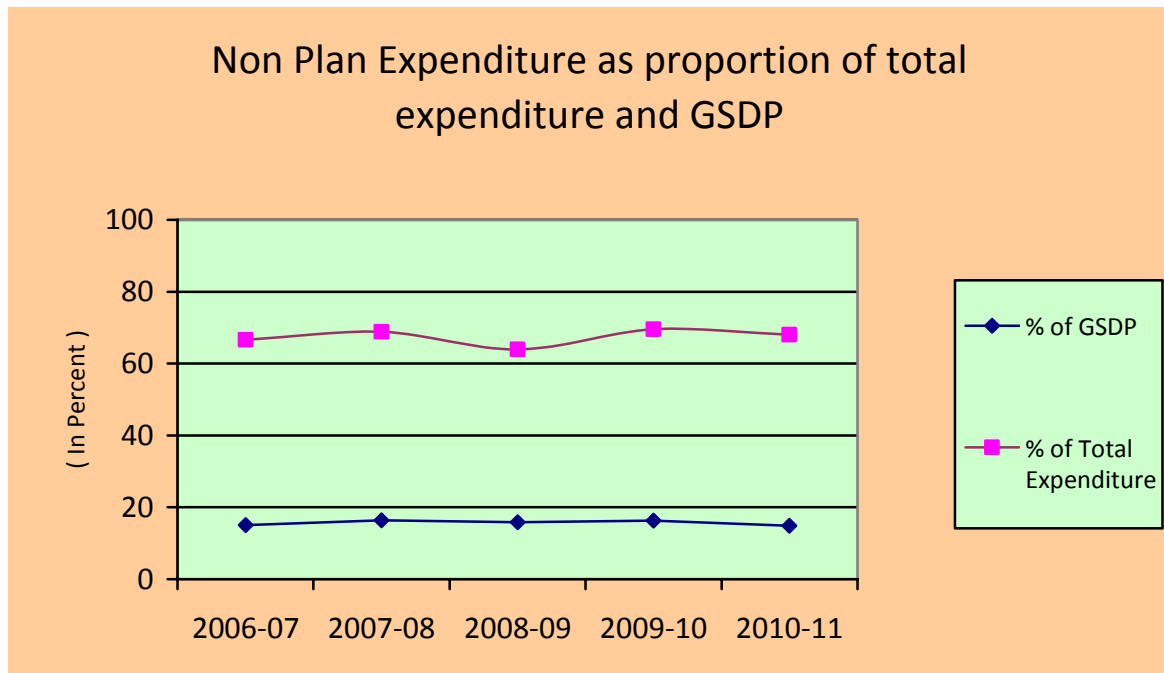


4.2.1. Plan expenditure under Capital Account

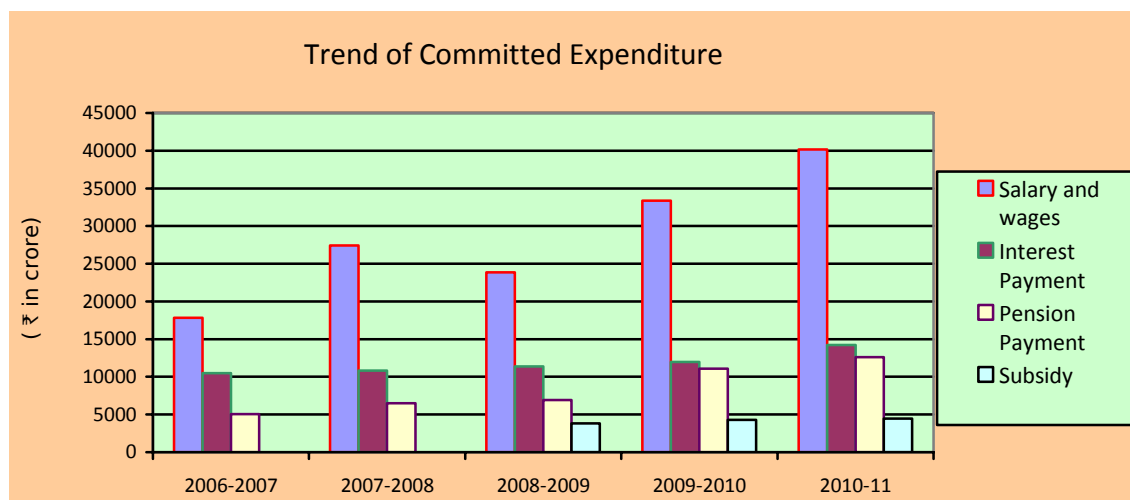
	(₹ in Crore)				
	2006-07	2007-08	2008-09	2009-10	2010-11
Total Capital Expenditure	14871.68	17692.34	23152.73	26033.08	21241.02
Capital Expenditure (Plan)	13874.35	14087.28	18477.81	19433.51	20198.36
Percentage of Capital Expenditure (Plan) to Total Capital Expenditure	93	80	80	75	95

4.3. Non-Plan Expenditure

Non-Plan Expenditure during 2010-11, representing 68 percent of total disbursements, was ₹ 87678.74 crore, (₹ 86636.08 crore under Revenue and ₹1042.66 crore under Capital).



4.4. Committed Expenditure



Component	2006-07	2007-08	2008-09	2009-10	2010-11
Committed Expenditure	33394.23	44736.22	45977.27	60685.06	71429.90
Revenue Expenditure	55698.90	65223.21	75968.89	89373.61	107675.61
Percentage of Committed Expenditure to Revenue Receipts	55	65	59	63	64
Percentage of Committed Expenditure to Revenue Expenditure	60	69	61	68	66

The upward trend on committed expenditure leaves the government with lesser flexibility for developmental spending.

APPROPRIATION ACCOUNTS

5.1. Summary of Appropriation Accounts for 2010-11

(₹ in Crore)

Sl. No	Nature of expenditure	Original grant	Supplementary grant	Re-appropriation	Total	Actual expenditure	Savings (-) Excesses(+)
1	Revenue Voted	90292.03	2363.21	Nil	92655.24	86541.42	(-)6113.82
	Charged	21142.57	0.61	Nil	21143.18	21725.47	582.29
2	Capital Voted	36002.83	3042.40	Nil	39045.23	31557.85	(-)7487.38
	Charged	386.52	0.00	Nil	386.52	367.72	(-)18.80
3	Public Debt Charged	18164.96	6.40	Nil	18171.36	7383.08	(-)10788.28
4	Loans and Advances Voted	1025.26	49.10	Nil	1074.36	968.22	(-)106.14
Total		167014.17	5461.72	Nil	172475.89	148543.76	(-)23932.13

5.2. Trend of Savings/Excess during the past five years

(₹ in Crore)

Year	Savings (-)/ Excess(+)				Total
	Revenue	Capital	Public Debt.	Loans & Advances	
2006-07	(-)2624.06	(-)477.11	(-)8673.31	(-)0.85	(-)11775.33
2007-08	(-)4217.26	(-)1797.46	(-)10223.64	(-)200.38	(-)16438.74
2008-09	(-)6998.64	(-)335.60	(-)10001.67	(-)101.79	(-)17437.70
2009-10	(-)7276.68	(-)3472.01	(-)10220.43	(-)542.30	(-)21511.42
2010-11	(-)5531.53	(-)7506.18	(-)10778.28	(-)106.14	(-)23932.13

5.3. Significant Savings

Substantial savings under a grant indicates either non-implementation or slow implementation of certain schemes / programmes.

Some grants with persistent and significant savings are given below:

(₹ in Crore)

Grant	Nomenclature	2006-07	2007-08	2008-09	2009-10	2010-11
36	Medical Deptt. (Public Health)	(-)58.36	(-)53.38	(-)74.10	(-)49.93	(-)195.37
47	Technical Education Deptt.	(-)13.90	(-)39.32	(-)93.28	(-)128.63	(-)66.65
75	Education Deptt. (State Council of Education Research & Trg.)	(-)20.40	(-)9.24	(-)14.49	(-)15.68	(-)14.31
81	Social Welfare Deptt. (Tribal Welfare)	(-)14.49	(-)25.04	(-)22.00	(-)19.53	(-)41.69
83	Social Welfare Deptt. (Special Component Plan for S.C.)	(-)481.07	(-)631.93	(-)870.11	(-)1015.85	(-)213.95
86	Information Deptt.	(-)34.88	(-)35.40	(-)47.17	(-)39.82	(-)69.36

During 2010-11, supplementary grants totalling ₹ 5461.72 crore (3.68% of total expenditure) proved to be unnecessary in some cases, where there were significant savings at the end of the year even against original allocations. A few instances are given below:

(₹ in Crore)

Grant	Nomenclature	Section	Original	Supple- mentary	Actual Expenditure
9	Power Department	Revenue	3005.09	8.55	2747.10
		Capital	4795.00	100.00	4263.52
21	Food & Civil Supplies Department	Capital	10622.97	1.24	6661.22
26	Home Department (Police)	Revenue	6739.09	90.50	6679.92
		Capital	495.56	118.82	258.26
37	Urban Development Department	Revenue	1045.06	283.24	616.51
		Capital	2040.14	20.00	1373.02
40	Planning Department	Revenue	223.81	134.21	174.31
		Capital	1150.26	18.21	287.71
42	Judicial Department	Revenue	882.36	127.05	778.83
48	Minorities Welfare Department	Revenue	714.99	96.51	539.50
		Capital	327.50	100.00	261.94
72	Education Department (Secondary Education)	Revenue	6302.82	241.12	5758.09
73	Education Department (Higher Education)	Revenue	1871.25	25.00	1324.36
80	Social Welfare Department (Social Welfare & Welfare of S.C.)	Revenue	3082.76	90.00	3024.76
83	Social Wel. Department (Sp. Comp. Plan for SC)	Capital	3884.88	79.80	3861.06
94	Irrigation Department (Works)	Capital	3988.10	192.46	3094.30
95	Irrigation Department (Establishment)	Revenue	1972.40	11.40	1969.09

CHAPTER VI

ASSETS AND LIABILITIES

6.1. Assets

The existing form of accounts do not easily depict valuation of Government assets like land, buildings etc., except in the year of acquisition / purchase. Similarly while the accounts present the impact of liabilities arising in the current year, they do not depict the overall impact of the liabilities to future generations except to the limited extent shown by the rate of interest and period of existing loans.

Total investments as share capital in non-financial public sector undertakings (PSUs) stood at ₹ 38272.54 crore at the end of 2010-11. However, dividends received during the year were ₹ 26.81 crore (i.e. 0.07%) on investment. During 2010-11, investments increased by ₹ 3993.47 crore, while dividend income decreased by ₹ 0.37 crore.

Cash Balance with RBI stood at ₹ 198.23 crore on 31st March 2010 and increased to ₹ 414.63 crore at the end of March, 2011.

6.2. Debt and Liabilities

Article 293 of Constitution of India empowers the State Government to borrow on the security of the Consolidated Fund of the State within such limits, if any, as may be from time to time fixed by the State Legislature.

Details of the Public Debt and total liabilities of the State Government are as under:

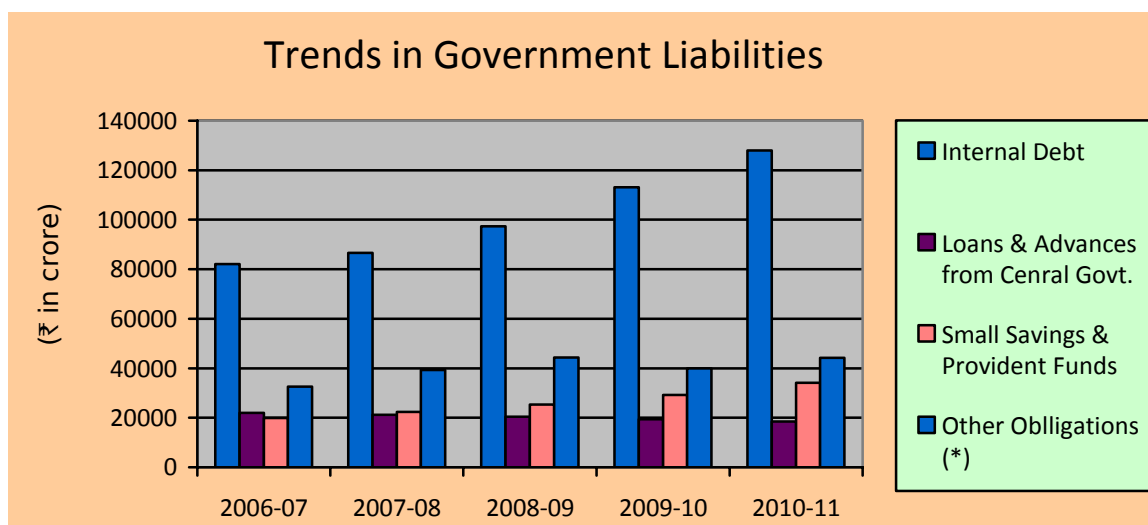
(₹ in Crore)

Year	Public Debt	% to GSDP	Public Account (*)	% to GSDP	Total Liabilities	% to GSDP
2006-07	104009.95	30.95	58146.02	17.30	162155.97	48.25
2007-08	107719.78	28.12	66528.02	17.37	174247.80	45.49
2008-09	117703.32	26.56	69707.38	15.73	187410.70	42.29
2009-10	132523.80	25.54	69196.58	13.34	201720.38	38.88
2010-11	146534.80	24.90	78250.45	13.30	224785.25	38.20

(*) Excludes suspense and remittance balances.

Note: Figures are progressive balance to end of the year.

There is a net increase of ₹ 23064.87 crore (11%) in Public Debt and Other liabilities as compared to 2009-10.



* Non interest bearing obligations such as deposits of Local Funds, Other earmarked funds, etc.

6.3 Guarantees

The position of guarantees by the State Government for the payment of loans and capital and payment of interest thereon raised by Statutory Corporations, Government Companies, Corporations, Cooperative Societies, etc., is given below:

(₹ in Crore)

At the end of the year	Maximum Amount Guaranteed (Principal only)	Amount outstanding as on 31 st March 2011	
		Principal	Interest
2006-07	12234.86	11055.58	0.00
2007-08	18144.16	12735.83	0.00
2008-09	27891.55	16084.00	0.00
2009-10	29311.36	19592.26	445.88
2010-11	29778.16	20162.03	0.00

OTHER ITEMS

7.1 Lapse of cheques of important transactions

During the course of accounting of lapsed cheques, for the whole year it has been noticed that a considerable number of cheques pertaining to withdrawal/payments of advances etc. from GP Funds and Insurance Funds and also refunds of Revenue Receipts were found to have been lapsed. Position of lapsed cheques for the last three years in this respect is as under:

(₹ in crore)

Year	Total Value of cheques lapsed	Value of cheques lapsed in respect of 8009-State Provident Funds	Value of cheques lapsed in respect of 8011-GIS	Value of cheques lapsed in respect of Refunds of Revenue Receipts
2008-09	63.01	3.40	1.03	1.91
2009-10	55.36	3.44	1.10	3.82
2010-11	83.07	3.39	1.55	5.02

7.2 Loans and Advances by the State Government

Total Loans and Advances made by the State Government at the end of 2010-11 was ₹10145.58 crore. Of this, Loans and Advances to Government Corporations/ Companies, non-Government Institutes and Local Bodies amounted to ₹10014.79 crore. Recovery of Principal aggregating to ₹869.09 crore and Interest amounting to ₹40.13 crore is in arrears at the end of 31st March 2011.

7.3 Financial assistance to local bodies and others

During the past five years, Grants in Aid to local bodies etc., increased from ₹12485.48 crore in 2006-07 to ₹ 30749.32 crore in 2010-11. Grants to Zilla Parishads, Panchayat Samitis and Municipalities (₹2348.83 crore) represented 7.64 Percent of total grants given during the year.

Details of Grants-in-aid for the past 5 years are as under.

(₹ in Crore)

Year	Zilla Parishads	Municipalities	Panchayat Samitis	Others	Total
2006-07	..	..	..	..	12485.48
2007-08	..	..	..	..	15360.39
2008-09	2177.38	2940.39	472.27	15823.95	21413.99
2009-10	1878.21	2461.07	491.54	20222.70	25053.52
2010-11	959.26	1389.57	..	28400.49	30749.32

7.4 Cash Balance and investment of Cash Balance

(₹ in Crore)

Component	As on 1 st April 2010	As on 31 st March 2011	Net increase (+) / decrease (-)
Cash Balances	198.23	414.63	(+) 216.40
Investments from cash balance(GOI Treasury Bills)	3194.59	9877.81	6683.22
Investment from earmarked fund balances	45.20	45.20	0.00
(a) Sinking Fund	45.20	45.20	0.00
(b) Guarantee Redemption Fund	0.00	0.00	0.00
(c) Other Funds	0.00	0.00	0.00
Interest realised	217.36	231.87	(+) 14.51

State Government had a positive closing cash balance at the end of 2010-11, despite utilising its cash balances and earmarked fund balances towards investments. Interest receipt on these investments was increased by 7%.

7.5 Reconciliation of accounts

Accuracy and reliability of accounts depend, among other things, on timely reconciliation of the figures available with the departments and the figures appearing in the accounts compiled by the Accountant General (Accounts and Entitlements). This exercise is to be conducted by respective Heads of Departments. The reconciliation of accounts of many departments is in arrears. In 2010-11, only 97.9 % (₹124155.26 crore) of the total expenditure of ₹ 127948.41 crore of the State Government was reconciled. Similarly, out of total receipts of ₹ 111183.76 crore, only 99.8% (₹111001.16 crore) was

reconciled. The status of reconciliation of accounts in respect of the Chief Controlling Officers (CCO) of different departments is given below:

PARTICULARS	TOTAL NO. OF CCOs	FULLY RECONCILED	PARTIALLY RECONCILED	NOT RECONCILED
EXPENDITURE	151	137	2	12
RECEIPTS	43	38	..	5
TOTAL	194	175	2	17

Some chronic defaulters in reconciliation are listed below.

Sl.No.	Name of the Department /Chief Controlling Officer	Year/Years pending
1	Secretary, Khadi evam Gramodyog, U.P, Lucknow	2009-10& 2010-11
2	Secretary, Civil Defence, Home Guards and Political Pension, U.P, Lucknow	2009-10& 2010-11
3	Director, Local bodies, U.P, Lucknow	2009-10& 2010-11
4	Director, Agriculture, U.P, Lucknow	2009-10& 2010-11
5	Principal Secretary, Agriculture Education, U.P, Lucknow	2010-11
6	Secretary, Urban Development, U.P, Lucknow	2009-10& 2010-11
7	Registrar General, High Court of U.P, Allahabad	2009-10& 2010-11
8	Secretary, Revenue, U.P, Lucknow	2010-11
9	Advocate General, High Court of U.P, Allahabad	2010-11
10	Commissioner Social Welfare/Principal Secretary Social Welfare, U.P, Lucknow	2009-10,&2010-11
11	Secretary, Judicial and Legal Advice ,U.P, Lucknow	2010-11
12	Director, Tribal Welfare, U.P, Lucknow	2010-11
13	Chief Audit Officer, Cooperative Societies and Panchayats, U.P, Lucknow	2010-11
14	Director, Deen Dayal Upadhyaya Rural Development and Research Institute, Lucknow	2010-11

7.6 Submission of accounts by Treasuries

The rendition of initial accounts by the Treasuries is satisfactory. However, submission of accounts by the Public Works and Forest Divisions should improve.

7.7 Abstract Contingent (AC) Bills and Detailed Contingent (DC) Bills

When money is required in advance or the Drawing and Disbursing Officers (DDOs) are not able to calculate the exact amounts required, they are permitted to draw money without supporting documents through AC bills. Such AC bills

are required to be settled, within a maximum of 30 days, through submission of DC bills. The fact that to the end of 31st March 2011, 12451 DC bills amounting to ₹ 131.77 crore was outstanding, indicates that these instructions have not been followed.

7.8 Rush of Expenditure

The financial rules stipulate that rush of expenditure, particularly in the closing month of the financial year, shall be regarded as a breach of financial regularity and should be avoided. It is observed however, that certain departments indulged in this practice to the tune of 42% and above 100% of total expenditure incurred in March, as follows:

(₹ in Crore)

Head of Account	Description	1 st Quarter	2 nd Quarter	3 rd Quarter	4 th Quarter	Total	During March 2011	% of 3/2011 w.r.t. total expenditure of the department for 2010-11
2040	Taxes on Sales, Trade etc.	88.06	87.83	144.52	949.25	1269.66	905.36	71
4055	Capital Outlay on Police	37.69	28.65	61.28	128.25	255.87	110.14	43
4202	Capital Outlay on Education, Sports, Art and Culture	36.22	180.67	134.61	358.54	710.04	314.39	44
4210	Capital Outlay on Medical and Public Health	30.74	164.08	188.27	649.13	1032.22	523.24	51
4225	Capital Outlay on Welfare of Scheduled Castes, Scheduled Tribes and other Backward Classes	0.00	4.98	13.74	46.56	65.28	45.92	70
4250	Capital Outlay on Other Social Services	5.91	15.60	36.69	57.67	115.87	49.87	43
4401	Capital Outlay on Crop Husbandry	-8.27	47.34	-126.65	91.21	3.63	84.31	2325
4701	Capital Outlay on Medium Irrigation	29.08	24.69	36.43	100.42	190.62	79.51	42
4853	Capital Outlay on Non-Ferrous Mining and Metallurgical Industries	0.00	0.00	0.00	6.19	6.19	3.79	61
4860	Capital Outlay on Consumer Industries	0.00	0.00	0.00	3.00	3.00	3.00	100
5053	Capital Outlay on Civil Aviation	-0.75	6.54	5.20	14.41	25.40	14.24	56
6217	Loans for Urban Development	0.00	0.12	0.03	13.02	13.17	13.02	99

7.9 Commitments on account of Incomplete Capital Works

A total expenditure of ₹ 2735.21 crore was incurred upto the year 2010-11 by the State Government on various incomplete projects against an estimated cost of ₹ 3287.34 crore. The estimated cost was further revised to ₹ 3747.17 crore to the end of 2010-11. During 2010-11 a total expenditure of ₹ 876.52 crore was incurred by the State Government on various projects taken up by engineering departments. Payments to the tune of ₹ 56.85 crore is due to be paid to the end of 31-03-2011.

The original estimated cost (₹ 3287.34 crore) was escalated by 14% on various projects. Abnormal increase in revised estimates is noticed in respect of Irrigation projects, from ₹ 2162.93 crore to ₹ 3595.97 crore by end of 31-03-2011. A summarised view on commitments on account of 'Incomplete Capital Works' is furnished below:

(₹ in Crore)

Sl. No.	Category of Works	Estimated Cost of Work	Expenditure during the year	Progressive expenditure to the end of the year	Pending Payments	Estimated Cost after revision
1.	Road Work	1047.67	273.42	487.24	46.63	151.20
2.	Buildings	76.74	33.37	47.71	10.22	..
3.	Irrigation Projects	2162.93	569.73	2200.26	..	3595.97
Total		3287.34	876.52	2735.21	56.85	3747.17

Note: i) Detailed information towards commitments on Incomplete Capital Works is available in Appendix X of Finance Accounts 2010-11

ii) The figures exhibited in the above table are compiled from the data provided by various Divisions/Departments.